



Brand Keys

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

AMERICA'S 10 'LEAST ENGAGING' BRANDS REVEALED

**Blackberry, Sears and Budweiser Again,
Consumers Add Volkswagen, Whole Foods and American Apparel to 2016 List**

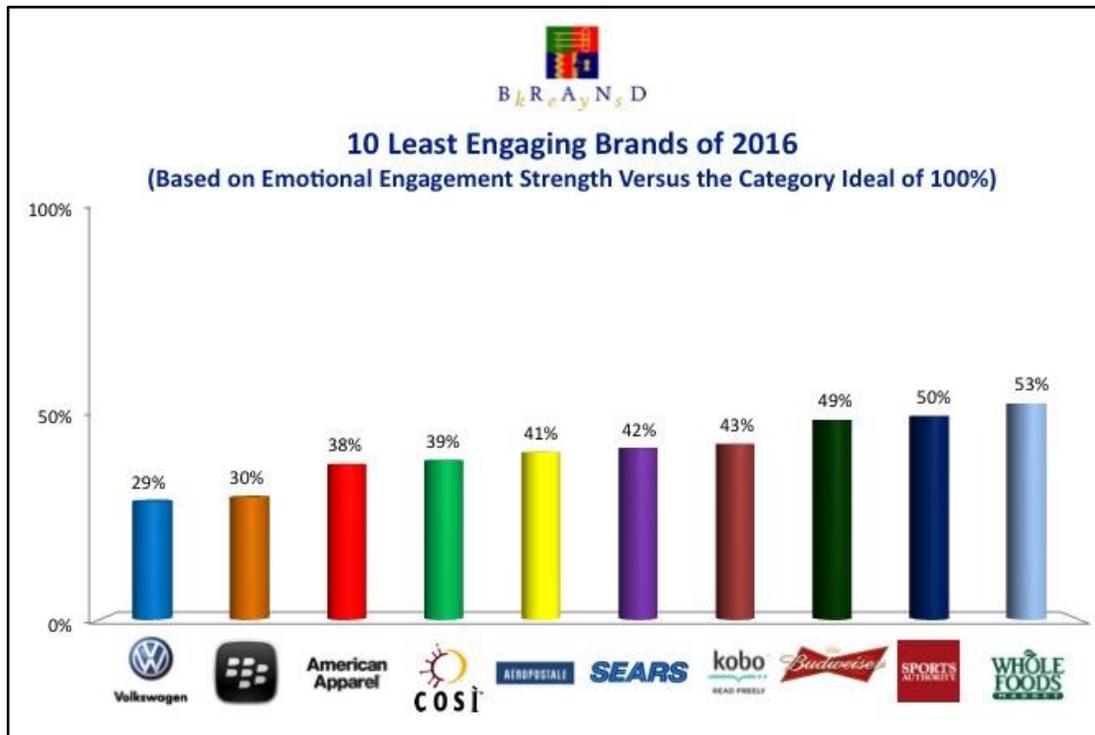
NEW YORK, NY MAY 2, 2016 – Emotional engagement, a measure of how well brands meet consumer expectations, is a leading indicator of consumer loyalty and brand profitability. But according to 42,792 American consumers who participated in Brand Keys' 2016 Customer Loyalty Engagement Index® (CLEI), the 21st annual survey conducted by Brand Keys, the New York-based brand engagement and customer loyalty research consultancy (brandkeys.com), 10 brands – in the automotive, tech, retail, food and beverage categories – substantively disappointed their own customers.

Top 10 Brands at the Bottom

The 2016 10 least-engaging brands include the following, presented in reverse order beginning with the brand with the *lowest* emotional engagement strength. Percentages indicate each brand's emotional engagement strength versus their category's Ideal (calculated to be 100%).

1. Volkswagen (29%)
2. Blackberry (30%)
3. American Apparel (38%)
4. Cosi (39%)
5. Aéropostale (41%)
6. Sears (42%)
7. kobo (43%)
8. Budweiser (49)%
9. Sports Authority (50%)
10. Whole Foods (53%)

“The fundamental reason these brands were rated so low for consumer engagement is because they were unable to meet the very high – and ever-growing – emotional expectations consumers bring to the marketplace,” noted Robert Passikoff, president of Brand Keys. “These are the critical values consumers use to *compare* brand options when they shop. If you do poorly, consumer displeasure not only shows up on the list *but* harshly in the real-world marketplace. And shortly thereafter on profit-loss statements.”



Source: 2016 Brand Keys Customer Loyalty Engagement Index: 42,792 consumer interviews/72 categories/635 brands

Six New Brands Make the 2016 List

This year six brands showed up on the Least Engaging List for their first time. These included two brands whose reputations have been assailed in the press: **Volkswagen**, which is likely to have to buy back 500,000 diesel vehicles and pay out billions in fines related to their rigged pollution control debacle, and **Whole Foods**, which was accused of price rigging of their own brand, along with high degrees of corporate hubris.

Retailers **American Apparel** and **Aéropostale** moved down the list, both having suffered badly at the hands of online and corporate management. **Sports Authority**, once America's largest sporting-goods chain, entered into bankruptcy protection in March, and **Cosi**, the fast-casual sandwich chain, which has seen a cast of revolving CEOs and has been forced again to close stores and cut staff.

Repeat Customers

Brands that appeared on the list again this year included: **Blackberry** (which moved up 5% in engagement strength from 2015), **kobo**, up 3% from last year, **Sears** (unchanged but still closing stores), and **Budweiser** (down another 9%). "A five percent move is indicative of a significant change in emotional engagement strength," said Passikoff. "Blackberry moved up and Budweiser moved down, according to their own customers."

Bankrupt Brands

RadioShack, the American chain of wireless and electronics stores, filed for bankruptcy and was acquired by General Wireless, which gained ownership of 1,743 RadioShack locations. **Blockbuster** filed for bankruptcy protection and has essentially retired the brand.

Some Brand Escaped the List

Increased levels of customer engagement helped **McDonald's** avoid making this year's list. "It's a real endorsement of what emotional engagement with breakfast, Egg McMuffins and hash browns can accomplish," observed Passikoff. The introduction of the all-day breakfast menu increased McDonald's 1Q'16 same-store sales by 5.4%.

A&F managed to slow down sales declines and just avoided the top 10. **Tylenol** benefited from another nature of lists. New entries moved Tylenol to #11, so strictly speaking they didn't make the top 10 list this year either. **Coty**, the American beauty products manufacturer did not receive enough customer mentions to be included in this year's assessments.

"Marketers don't generally think about this kind of list on an aggregated basis," said Passikoff. "But upon reading it, you can't help nodding, while a small voice whispers, 'Well, I can see that,' or 'Yeah, they really messed up.' That's the rational voice speaking. But we're pretty sure your emotional voice, the one that 'talks' in your gut, will confirm that these brands really should be at the bottom of the list and are members of a club all their own."

Independent Validation of Emotional Engagement

Independent validations have proven that brands that better meet consumer expectations are always leaders in emotional engagement. These brands always see better consumer behavior and, axiomatically, that always results in greater sales and profits (see "2016 Customer Loyalty Engagement Index" [here](#)).

But the reverse is equally true. "Think about how you'd feel if you bought a brand and it delivered only 39% of what you expected! What would that voice in your head or gut say then? Surely nothing good, and we're pretty sure it's not whispering! But sometimes - if you know which emotional values to empathize - rock bottom can be the perfect place to rebuild your brand," suggested Passikoff.

Methodology

For the 2016 survey, 42,792 consumers, 18 to 65 years of age, from the nine US Census Regions, self-selected the categories in which they are consumers, and the brands for which they were customers. Seventy (70%) percent were interviewed by phone, 25% percent via face-to-face interviews (to include cellphone-only households), and 5% online. This year the survey examined 72 categories and 635 brands.

Brand Keys uses an independently validated research approach that fuses emotional and rational aspects of consumer response. The research technique is a combination of psychological

inquiry and statistical analyses, has a test/re-test reliability of 0.93, and provides results at the 95% confidence level. It has been successfully used in B2B and B2C categories in 35 countries.

For more information about these validated and predictive assessments you can watch an animated video of the methodology on our YouTube channel:

<https://www.youtube.com/user/key2loyalty>

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